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REPORT OF THE DRAFTING GROUP TO THE PLENARY

United Nations Capital Development Fund

The Governing Council,

Recalling its decision 91/39 of 25 June 1991,

Recalling also the Final Act of the Eighth United Nations Conference on Trade and Development and more particularly the call in section F, paragraph 218 thereof, for more funding to the United Nations Capital Development Fund in light of the increased number of least developed countries,

Mindful of the relevant provisions of Agenda 21 of the United Nations Conference on Environment and Development which advocate poverty reduction and participatory development strategies to promote sustainable development,

Noting with concern that voluntary contributions to the United Nations Capital Development Fund declined in 1991 and 1992,

1. Takes note of the biennial report of the Administrator on the United Nations Capital Development Fund (DP/1993/42);

2. Notes that the implementation of the present partial funding formula has allowed for the highest level ever of programming in 1991 and a record level of programme expenditure in 1992;

3. Notes with concern that the commitment capacity of the Fund through the decade will be seriously impaired by current funding trends, including the continuation of the decline in voluntary contributions to the Fund;

4. Invites the Administrator to explore all possible options and modalities for mobilizing additional resources as well as to look into ways and means for closer cooperation with other multilateral financing institutions and to submit his findings and recommendations to the Governing Council at its forty-first session (1994);

5. Notes that the use of the loan facility within the United Nations Capital Development Fund is proceeding satisfactorily; and in this context endorses the Administrator's proposal for the continuation of the loan facility, as contained in paragraph 37 of the report of the Administrator;

6. Takes note of the area-based programme approach of the United Nations Capital Development Fund, with its emphasis on decentralization and increased collaboration with local government institutions and grass-roots organizations in the various stages of United Nations Capital Development Fund-financed development activities, as described in paragraph 55 and further of the Administrator's report;

7. Notes that following its thematic review on participatory eco-development, and because of its presence in the most remote and often environmentally fragile regions of least developed countries, the United Nations Capital Development Fund is well placed to direct its support to programmes that promote community participation and balance the economic and environmental imperatives of beneficiary populations;

8. Invites the Administrator to outline his plans for the future of the United Nations Capital Development Fund for presentation to the Governing Council at its forty-second session (1995) with a view to identifying any potential reorientation of the Fund's original mandate as well as to preserving its autonomy and identity as a United Nations Development Programme-administered fund in light of new requirements and priorities of recipient countries and increasing demands on the international community;

9. Renews its appeal for increased voluntary financial support to the United Nations Capital Development Fund as the main multilateral small-scale grant investment fund for the least developed countries, in order for the Fund to continue to respond to the rapidly growing needs of its recipient countries.